

PROJECT APPROVAL NOTIFICATION

(1510)

PROJECT

ACTION		COMPONENT
<input type="checkbox"/>	NEW PROJECT	DIVISION OR STAFF WH
<input type="checkbox"/>	AMENDMENT	
<input checked="" type="checkbox"/>	RENEWAL <input checked="" type="checkbox"/> ANNUAL <input type="checkbox"/> BIENNIAL	
<input type="checkbox"/>	TERMINATION	DESK Chile
<input type="checkbox"/>	EXTENSION	CASE OFFICER EXTENSION
<input type="checkbox"/>	OTHER	

AUTHORIZATION

APPROVING AUTHORITY ADDP *	DATE APPROVED 16 March 1972	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
PERIOD OF APPROVAL		\$ 328,500	19 72	\$ 328,500
FROM 1 July 1972	TO 30 June 1972			

CONDITIONS OF APPROVAL

*Confirming prior DCI approval

Declassified and
Approved for Release
July 2000

SIGNATURE (Signed)	DATE 17 MAR 1972
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DISTRIBUTION

1	PPB	1	DIV. OR STAFF BF OFFICER	1	CASE OFFICER	3	
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Page (s) 2-3

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[REDACTED] - Santiago, Chile - Political Action Project - FY 1972
Cost: FY 1972 - [REDACTED]

OBJECTIVE

This political action project is designed to strengthen the Chilean National Party (PN), a conservative party opposed to the Marxist Popular Unity (UP) government of President Salvador Allende. All financial support requested herein for FY 1972 [REDACTED]

[REDACTED] has already been approved by the 40 Committee. This support is designed to guide and strengthen the PN in order to improve its electoral appeal and to increase its effectiveness in opposing government efforts to impose a totalitarian regime in Chile.

BACKGROUND

This [REDACTED] Project was approved for [REDACTED] for FY 1971 on 24 March 1971. This approval was based on the 40 Committee's approval on 28 January 1971 of a proposal for financial support of Chilean opposition parties [REDACTED]. Of the [REDACTED] approved for passage to the PN, [REDACTED]

[REDACTED] Of this total, [REDACTED] remains as an unliquidated obligation for FY 1971, primarily because the PN's [REDACTED] are being purchased on the installment plan. [REDACTED]

During FY 1972 the 40 Committee approved the following additional funds for the PN: [REDACTED]

[REDACTED] to help the PN to build and support a viable nationwide organization during the next

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twelve months was approved on 5 November 1971. Additional funds will undoubtedly be needed to support the PN during FY 1973, since all opposition parties will be preparing for the highly important congressional elections scheduled for April 1973. These additional funds will have to be approved by the 40 Committee and will have to be obtained from the [REDACTED] for this reason no funds for FY 1973 are projected in this renewal even though [REDACTED] has been included in the WH program for FY 1973. Copies of the three Memoranda approved by the 40 Committee are attached to this renewal request.

DESCRIPTION

The PN is essentially a conservative party which represents the interests of landowners, businessmen, and a substantial segment of the Chilean middle class. In the April 1971 municipal elections (which were held at a time when the popularity of the UP government was at its peak), the PN received 18.12% of the popular vote. It is the second largest party in Congress, having elected 5 of 50 Senators and 33 of 150 Deputies (10% of the Senate and 22% of the Chamber). While the PN's potential for additional growth is limited by its conservative image, its interests and ideology are directly opposed to those of the UP and it has worked effectively to defend them. Party leadership is aware of the need to project a more progressive image. All opposition parties could gain at UP expense if the country moves into an economic crisis in the months ahead.

Organizationally the PN is still weak because it lacks full-time leadership in sufficient depth to plan and organize effectively on a national basis. It is fortunately free from ideological splits or factionalism, and is now trying to build a full-time and effective organization in the provinces. It is also working to strengthen its specialized offices, which are affiliated with Party headquarters, and which include organizations for women, youth, professional groups such as businessmen and lawyers, and organizations of middle and small farm owners. It is also making efforts to recruit new management talent.

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(a) April 1971 Municipal Elections. There is no doubt that the municipal elections were held at a time most favorable to the UP, which had taken a number of very popular actions while the negative economic effect of the government's inflationary measures had yet to become apparent. Despite these advantages and the strong personal appeal and charisma of Allende, opposition parties did much better than expected. The PN was quite content with its 18.12% of the total vote and particularly jubilant about having won this voting percentage without the appeal of a national figure such as Alessandri (who was supported by the party in the 1970 presidential election).

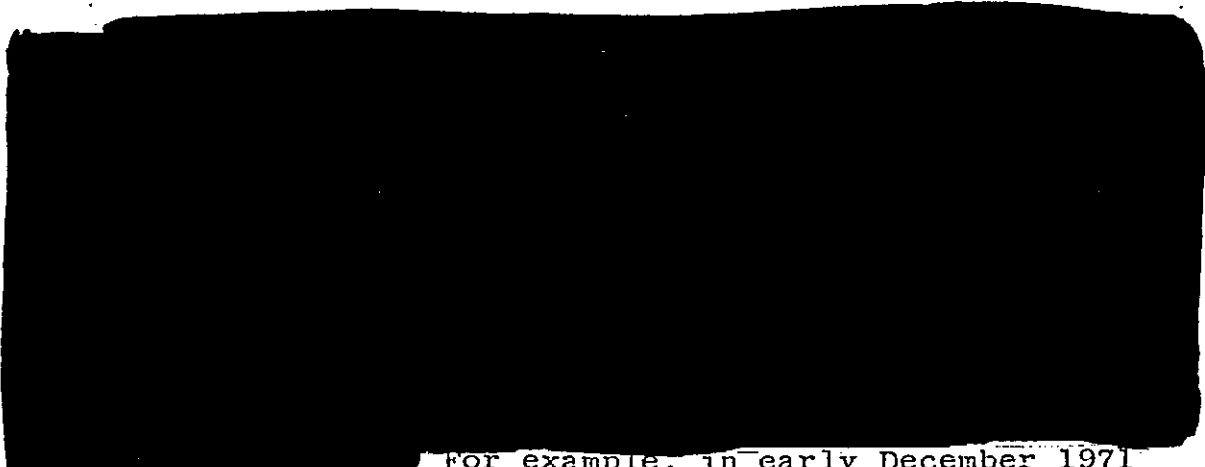
[REDACTED]

(b) 18 July 1971 Valparaiso By-Election. This by-election represented the first electoral confrontation between a united opposition and the UP, and resulted in a close but significant victory for Christian Democrat Oscar Marin, who was also supported by the PN and the Democratic Radical Party (PDR). The final returns, which gave Marin 50.14% of the total vote as compared to 48.52% for the UP candidate, were described by all opposition leaders as a great triumph for Chilean democracy. A UP victory would have encouraged Allende to follow through on his plans to call a national plebiscite to abolish Congress and establish a unicameral legislature.

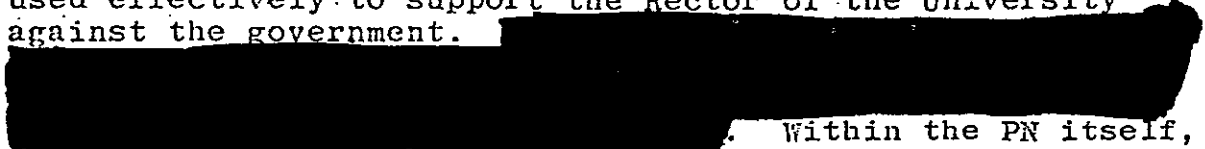
(c) 16 January 1972 By-Elections. This special election was held to fill two vacant seats in the Chilean Congress. The PN and the Christian Democratic Party (PDC) agreed that a single opposition candidate would run in each district: Rafael Moreno of the PDC was the opposition candidate for his party's former seat in the 5th Senatorial District (O'Higgins and Colchagua); Sergio Diez of the PN ran for Deputy in the Linares District.

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Before the voting, President Allende had said that these elections would indicate the electorate's acceptance of government policies, and there was a massive commitment of government forces and largess to the elections. Both UP and opposition leaders campaigned as if the government's future were at stake. Each opposition candidate defeated his UP rival: PN candidate Diez obtained 58% of the vote in Linares, while his UP opponent obtained only 40.9%. PDC candidate Moreno defeated Socialist labor leader Hector Olivares by 52.7% to 46.4% in the 5th Senatorial District. These election results constituted a popular rejection of the government's political and economic policies and gave the opposition parties new confidence in their ability to obstruct successfully the government's program to "construct Socialism" in Chile.



For example, in early December 1971 the PN and PDC joined forces in the famous "pots and pans" women's march which came to symbolize the increased resistance to the Allende regime. Funds provided by PN leaders to assist opposition forces in the University of Chile were used effectively to support the Rector of the University against the government.



Within the PN itself, station suggestions have been helpful to party leaders in their efforts to reorganize and revitalize the party and have led to the creation of effective new party mechanisms, such as a party coordinating committee which is responsible for coordinating propaganda themes.



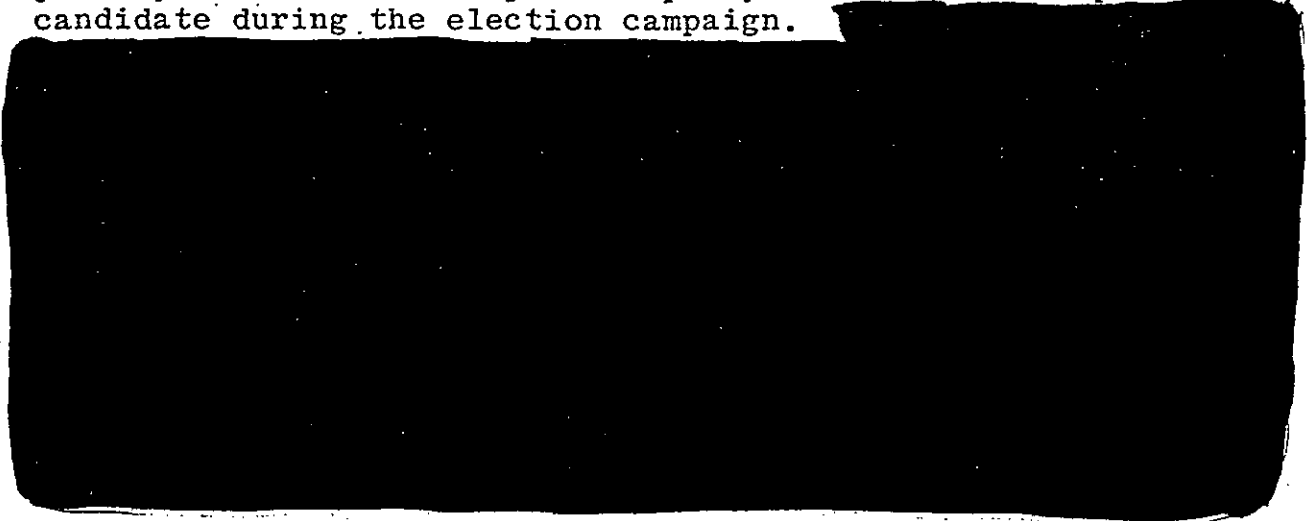
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Page (s) 5-8

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Intelligence and Research

An intelligence/security group was created by the PN prior to the January 1972 by-elections but was essentially a security group composed of low level detectives whose primary function was to protect party leaders and the party's candidate during the election campaign.

Political Action

The PN is also engaged in recruiting new membership for its functional party sectors and in organizing training programs for selected activists in these sectors. The youth wing, led by PN students at the University of Chile, has already selected  students at various faculties and begun to train them. The feminine wing of the party has about  full-time activists in the Santiago area, who devote most of their time to social welfare programs which have indirect political impact. Although there is on-going activity in other sectors (professional, farm owners etc.), it is difficult to locate talented administrators in these fields who are willing to devote full time to party activities. The search for new talent and the development of training and action programs will continue during the coming months.

Page (s) 10-13

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